INFORMATION SHEET

ORDER NO.
HOWARD E. CAYWOOD, INC.
SECTION 19 & 24 LEASES
MIDWAY-SUNSET OIL FIELD
KERN COUNTY

Howard E. Caywood, Inc. is a California corporation that owns and operates crude oil production wells at the Section 19 Lease in the N ¼ of Section 19, T31S, R23E, and the Section 24 Lease in the NE ¼ of Section 24, T31S, R22E, MDB&M, Midway-Sunset Oil Field, Kern County. The facility is approximately seven miles northeast of the City of Taft. Approximately 611 barrels/day (25,662 gallons/day) of wastewater is currently being discharged to six unlined sumps at the leases for disposal by solar evaporation and percolation. The facility has been in operation since at least 1972.

Wastewater discharged at the leases is not regulated by Waste Discharge Requirements (WDRs). To achieve compliance with current Regional Board policy and State regulations, WDRs are being issued and will incorporate regional hydrogeologic information developed from recent studies conducted in Midway Valley, designate the facility classification, and incorporate a monitoring and reporting program.

The climate in Midway Valley is semi-arid, with hot, dry summers and cool winters. Available weather data from a monitoring station in Taft indicates the average annual precipitation is 5.6 inches/year and the average annual pan evaporation is 95.7 inches/year. A 100-year flood plain exists on the leases.

Midway Valley is a southeast plunging structural trough formed by tectonic forces associated with the San Andreas Fault. The valley trough contains over 10,000 feet of sedimentary deposits dating as far back as the Jurassic Period. The most recent sediments deposited in the trough are the 1,000+ foot thick Tulare Formation and the Quaternary Alluvium, which ranges up to 800 feet thick. No known active faults occur on or near the facility.

The first groundwater occurs in the oil-producing Tulare Formation. The Tulare Formation consists of coarse-grained beds of poorly sorted sand and gravel, and beds of clay, silt, and fine sand. The depth to groundwater is in excess of 800 ft. and is of poor quality with TDS (Total Dissolved Solids) concentrations greater than 3,000 mg/L (i.e., the Municipal and Domestic exception limit). Groundwater exceeds the secondary drinking water standard for chloride and is high in boron. Groundwater in Midway Valley has no demonstrated beneficial uses, is hydraulically isolated from usable groundwater in the southern San Joaquin Valley, is not currently used or likely to be used in the foreseeable future, and is not suitable for municipal or domestic supply (MUN). The Tulare Formation in the Midway Sunset Oil Field is exempted administratively for the purpose of subsurface injection of produced oil field wastewater via Class 2 injection wells permitted by the California State Division of Oil, Gas, and Geothermal Resources.

The West Kern Water District supplies domestic and industrial water to the Midway Valley area. There are no other known alternative water supplies. There is no groundwater in the region that can reasonably be expected to be used for municipal/domestic, agricultural, or industrial supply. The nearest water well is approximately 17 miles southeast of the facility.

RW:rw/rac:9/20/2005